

AMENDED IN ASSEMBLY MARCH 31, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

## ASSEMBLY BILL

No. 730

Introduced by Assembly Member Chavez

February 17, 2005

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An act to amend Section 22009 of the Financial Code, relating to finance lenders.

### LEGISLATIVE COUNSEL'S DIGEST

AB 730, as amended, Chavez. Finance lenders.

Existing law, the California Finance Lenders Law, provides for the regulation and licensure of persons engaged in the business of a finance lender or broker. Existing law defines the term “finance lender” to include any person who is engaged in the business of making consumer loans or commercial loans. A *willful* violation of the California Finance Lenders Law is a crime.

This bill would provide that the business of making consumer loans or commercial loans also includes taking as security for a loan any lien on, assignment of, or power of attorney relative to, ~~winnings an heir's interest in an estate.~~

By increasing the transactions subject to the California Finance Lenders Law, the bill would ~~create new crimes and change the definition of a crime and thereby~~ impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 22009 of the Financial Code is  
2 amended to read:  
3 22009. "Finance lender" includes any person who is engaged  
4 in the business of making consumer loans or making commercial  
5 loans. The business of making consumer loans or commercial  
6 loans may include lending money and taking, in the name of the  
7 lender, or in any other name, in whole or in part, as security for a  
8 loan, any contract or obligation involving the forfeiture of rights  
9 in or to personal property, the use and possession of which  
10 property is retained by other than the mortgagee or lender, or any  
11 lien on, assignment of, or power of attorney relative to wages,  
12 salary, earnings, income, ~~winnings~~, or commission, *or an heir's*  
13 *interest in an estate.*  
14 It is the intent of the Legislature that the definition of finance  
15 lender shall be interpreted to include a personal property broker  
16 as referenced in Section 1 of Article XV of the California  
17 Constitution.  
18 SEC. 2. No reimbursement is required by this act pursuant to  
19 Section 6 of Article XIII B of the California Constitution because  
20 the only costs that may be incurred by a local agency or school  
21 district will be incurred because this act creates a new crime or  
22 infraction, eliminates a crime or infraction, or changes the  
23 penalty for a crime or infraction, within the meaning of Section  
24 17556 of the Government Code, or changes the definition of a  
25 crime within the meaning of Section 6 of Article XIII B of the  
26 California Constitution.